

categorical grants and programs intended to ameliorate poverty and prevent crime. Instead, the present bill establishes block grants to help units of local government improve public safety. Use of the funds can include, but is not limited to, hiring, training, and equipping law enforcement officers and support personnel; enhancing school security, and establishing crime prevention programs involving law enforcement officials. The grant money must not supplant State or local funds, but unlike last years legislation, the States and local governments are not required to provide matching funds.

H.R. 728 authorizes \$10 billion for law enforcement block grants over 5 years, with \$2 billion to be distributed in each of fiscal year 1996 through 2000, and it specifies criteria for eligibility and distribution of the grants. In contrast to the 1994 Crime Control Act, H.R. 728 allows localities greater flexibility in responding to their own crime problems.

Mr. Speaker, statistics paint a grim picture, illustrating clearly that the United States has failed to get a handle on its growing crime problem. According to the FBI, the rate of violent crime in the United States is worse than in any other Western developed country, with a murder occurring every 21 minutes, a rape every 5 minutes, a robbery every 46 seconds, and an aggravated assault every 29 seconds. Violent crime or property crime victimizes one in four U.S. households. Every year, nearly 5 million people are victims of murder, rape, robbery, or assault, and 19 million Americans fall victim to theft, burglary, or arson. Juvenile crime increased by 60 percent between 1981 and 1990, compared to an increase of 5 percent among adults, and the number of inmates convicted of drug offenses rose 14 percent from 1983 to 1989. On all fronts, the problem has become epidemic.

This crime crisis is particularly severe among minorities and the poor. The U.S. homicide rate for black males between the ages of 15 and 24 is 283 times that of males homicide rates in 17 other nations. Homicide is now the leading cause of death for blacks aged 15 to 34. One expert has estimated that a 20-year-old black male stands a greater chance of being murdered on the streets than a soldier in World War II stood of dying in combat.

These figures are frightening, and proof positive that the current approach to battling this epidemic is a dismal failure. Last year's crime bill did little to address the fundamental crime problem in our country. Relying on expensive "Great Societiesque" programs, the bill attempted to do what all other big government social programs have failed to do; make individuals responsible for their actions and instill a sense of right and wrong in those with a propensity to commit a crime.

Mr. Speaker, the overwhelming incidence of crime occurs within State and local jurisdictions, so State and local authorities bear the primary responsibility for combating this mounting crisis. They need help and support from the Federal Government, but not mandated prevention programs. The best thing the Federal Government can do is to try to assist State and local crime-fighters without getting in their way. This legislation will go along way toward that goal and I urge its support.

HUNTINGTON BEACH, CA: SAFEST CITY U.S.A.

## HON. DANA ROHRABACHER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 15, 1995

Mr. ROHRABACHER. Mr. Speaker, for the past several years, the great State of California has seen a series of unparalleled disasters, both natural, manmade, and economic. These have included earthquakes, floods, fires, civil unrest, and even bankruptcy. Even my own constituency in Orange County has been dramatically affected by recent floods and economic reversals. All of this has led to the impression that the State and the county's once great image of prosperity and a high quality of life has diminished.

Despite all of this, I am pleased to report that my home town of Huntington Beach was recently honored as America's "Safest City." The Morgan Quitno Publishing House of Lawrence, KS, in its book "City Crime Rankings" looked at the 100 largest cities in America and discovered that Huntington Beach was the safest place to live. It is with great pride and honor that I commend and applaud each and every citizen and employee in the city of Huntington Beach for their efforts at crime reduction. We are all aware that no one person or event could ever be singled out as a deciding factor in receiving such an award. It takes the patience and commitment of everyone within the community.

For several years, now, the city of Huntington Beach has progressed in exciting and new directions. The advent of Community Oriented Policing, downtown redevelopment, and many other progressive concepts have helped to insure a low crime rate and high quality of life.

Congratulations to Huntington Beach for your efforts! It is nice to have factual verification of what I have known all along, that the Orange County and Huntington Beach area is a great place to live and work.

The police department in Huntington Beach is obviously one of the finest in the Nation. Also important is that the community likes and supports their police and consider law enforcement every citizen's job. So the city, the police, and the people of Huntington Beach have every reason to be proud of their designation as the country's safest city.

## 1994 TOP 10 LIST OF INSURANCE FRAUD

## HON. ROBERT W. NEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 15, 1995

Mr. NEY. Mr. Speaker, I commend the following top 10 list of insurance fraud to my colleagues. However, before I proceed, I would like to thank the Coalition Against Insurance Fraud for their hard work and unwavering dedication in bringing insurance fraud to the public's attention.

As a State senator and cochair of the Ohio Insurance Fraud Task Force, I was active in fighting fraud in Ohio. Insurance fraud cost American consumers more than \$68 billion last year. That's more than \$800 a year out of each family's pockets in higher insurance premiums.

In order to give my colleagues a better understanding of the scope and breadth of insurance fraud, I submit the following "1994 Top Ten" list of insurance fraud cases in the United States.

### 1994 TOP 10 LIST OF INSURANCE FRAUD

1. *Stable Slayers.* Hired killers destroyed an unknown number of show horses. Owners collected on insurance policies which usually covered a horse for more than it was worth—\$25,000 and up. The scheme had been going on for decades, and some top names in the horse world are alleged to be involved. Twenty-three people were indicted in Chicago in July for their roles: 17 pled guilty, three were jailed and fined, and six await trial.

2. *Minus One.* Dr. John Rende, a 38 year-old Florida dentist, agreed to allow two brothers, Kenneth and Robert Alberton, to cut off a finger with an axe and claim it was an accident. He collected a \$1.3 million lump sum settlement through one brother's homeowner policy. He also filed under his practice's disability policy. Rende used some of the money to buy a boat he named "Minus One." Rende and the Albertons pled guilty. All are in jail and under orders to make restitution. Mary Rende, John's wife, is expected to plead guilty soon.

3. *An Empire of Scams.* William Loeb set up a phony labor union to sell health insurance from Empire Blue Cross/Blue Shield in 1988. When Empire terminated the insurance contract two years later, the union moved the policies to bogus insurers. More than 8,000 consumers lost \$43 million in premiums on worthless policies. Total unpaid claims could be as much as \$24 million. Insurers for more than 600 agents named as defendants in the case have agreed to pay out more than \$8 million to settle unpaid claims. More settlements may come in March. Loeb is serving seven years in jail.

4. *Coker's Coveted.* Stephen D. Coker is on the run following his September indictment in Alabama on 35 fraud-related counts. He's accused of siphoning at least \$30 million in premiums, passing them through a network of offshore insurers and reinsurers. Coker's accused of looting a British Virgin Islands insurer via a sham reinsurance agreement, filing false financial statements with regulators, selling policies on behalf of bogus insurance companies run by the late fraud artist Alan Teale, and reinsuring several of Teale's own sham operations, taking in at least another \$4 million.

5. *The Eye's on Him.* Dr. Jeffrey J. Rutgard, a San Diego eye surgeon, was indicted in March on 217 counts alleging he bilked Medicare and private insurers out of millions of dollars. He allegedly performed unnecessary operations on mostly elderly patients who were often unable to give informed consent. He was paid \$20.8 million over five years.

6. *A Blue Bel-Aire.* Arthur Blumeyer III was convicted of 27 counts of conspiracy, money laundering and fraud in February. Blumeyer was accused of using St. Louis based Bel-Aire Insurance Co. to bilk policy holders out of about \$43.5 million over six years. He pocketed at least \$4.9 million. Blumeyer's conviction was overturned on a technicality and he's currently in the insurance business awaiting a new trial.

7. *Gypsy Truckers.* Ronnie Lee Johnson of Fort Myers, Florida, pled guilty to two felonies for his role in a multi-state insurance fraud case involving the diversion of at least \$7 million in premiums. The scammers obtained minimal insurance policies by misrepresenting the firms as small ones with only a handful of trucks. The operators then charged hundreds of unwary independent truckers as much as \$5,000 a year to use fraudulently obtained liability insurance.